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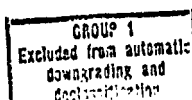
15 May 1967

MEMORANDUM FOR THE RECORD**SUBJECT: Congressman Lipscomb's Reflections on Katzenbach
Committee's Recommendations**

1. During the course of the review of the Agency's FY 1968 budget request, Congressman Lipscomb raised questions regarding savings which might be generated as a result of terminating certain organizations identified in the Katzenbach report. Both the questions and the comments may be of particular significance to possible future Congressional reaction regarding this matter.

2. First of all, Lipscomb was interested in the amount of savings that might ensue from possible terminations, appearing not to have given deep thought to the reality of termination costs. When it was explained that there will be such costs, however, he tacitly concurred but seemed to feel rather firmly that beyond termination will be found savings. Although he was willing to indicate that the Radios may require a different approach than other organizations, he appears to have a rather rigid belief that those other organizations in the A and B categories definitely are to be terminated.

3. Congressman Lipscomb's program views in the area of PP proprietaries are not precise, but one could easily infer that he believes the result of the recent disclosures should be to get the Central Intelligence Agency definitely out of these fields of endeavor. He indicated that, insofar as he knows, Congress is apprehensive about the possibility of having to defend against possible future disclosures. For those reasons, he may not find acceptable the reprogramming of any savings for similar activity. It should be added that Mr. Lipscomb did not state this conclusion specifically, however, the gist of his thinking appeared to be that the Agency must not again incur the risk of disclosures such as have recently taken place.

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4. In reaction to Congressman Lipscomb's comments, it was stated by Col. White and others that the Agency is not in these activities by choice but rather is merely acting as the agent of the U.S. Government. Furthermore, the 303 approval procedure was outlined, with emphasis on the fact that the Agency cannot of its own volition exit from these organizations unless some alternative means of support is assured. This explanation probably did not change the Congressman's views outlined above.

5. At the conclusion of the meeting, when asked what action the Agency should next pursue regarding the Katzenbach Committee conclusions, Mr. Lipscomb indicated that he really was speaking for himself and that this is a question which will have to be answered by the Committee Chairman. My own view was that, whereas his views regarding the Agency's withdrawal from this program probably reflect a personal predilection, he was also alerting us to possible Committee reactions should we endeavor to continue these kinds of programs under other organizational arrangements.



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